

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

FRANK J. ROLLIS, individually and on
behalf of all others similarly situated,

STAR OCT 22 2012

Plaintiff,

BROOKLYN OFFICE

v.

Case No. 1:12-cv-04880-ILG-
SMG

KSW, INC., FLOYD WARKOL, JOHN)
CAVANAGH, WARREN KOGAN,)
STANLEY KREITMAN, EDWARD)
LAGRASSA, KOOL ACQUISITION LLC,)
KOOL ACQUISITION CORPORATION, and)
RELATED COMPANIES, L.P.,)

Defendants.)

**JOINT STIPULATION TO STAY CASE PENDING RESOLUTION
OF STATE COURT PROCEEDINGS**

WHEREAS, on September 28, 2012, Plaintiff filed the above-captioned action in the United States District Court for the Eastern District of New York (the “Action”). The Action alleges violations of the federal securities laws, breach of fiduciary duties, and aiding and abetting the alleged breach of fiduciary duties in connection with the proposed acquisition of KSW, Inc. (“KSW”) by Kool Acquisition Corporation, Kool Acquisition LLC, and the Related Companies, L.P. (the “Proposed Transaction”);

WHEREAS, on September 18, 2012 a parallel putative class action was filed in the Court of Chancery of the State of Delaware captioned *Thomas McCormack v. KSW Inc., et al.* Case No.7875-VCG (the “McCormack Action”);

WHEREAS, on September 19, 2012, the plaintiff in the McCormack Action filed a motion for a preliminary injunction seeking to enjoin the closing of the Proposed Transaction;

WHEREAS, on September 24, 2012 plaintiff Lawrence Fund filed a parallel lawsuit in the Court of Chancery of the State of Delaware captioned *Lawrence Fund v. Floyd Warkol, et al.* Case No. 7891-VCG;

WHEREAS, on September 25, 2012, the McCormack Action and the Lawrence Fund Action were consolidated by the Delaware Court of Chancery into the action captioned *In Re KSW, Inc. Shareholder's Litigation* Case No. 7875-VCG (the "Delaware Actions");

WHEREAS, the Delaware Actions arise out of the same transactions and occurrences, name the same defendants, and involve the same or substantially similar issues of law and fact as the Action;

WHEREAS, on October 1, 2012 the plaintiffs in the Delaware Actions agreed to settle their claims with the defendants on the basis that the defendants would make certain additional disclosures for the benefit of KSW's public shareholders, among other things (the "Settlement Term Sheet");

WHEREAS, on October 1, 2012, the parties in the Delaware Actions entered into a Memorandum of Understanding to resolve the claims asserted in the Delaware Actions (the "Settlement");

WHEREAS, on October 1, 2012, KSW filed an Amended Solicitation/Recommendation Statement under Section 14(d)(4) of the Securities Exchange Act of 1934 on Schedule 14D-9 with the Securities and Exchange Commission (the "Amended Recommendation Statement");

WHEREAS, if the Settlement in the Delaware Actions is approved, it will release the claims asserted in the Action;

WHEREAS, the parties to the Action conferred and agreed to stay the Action pending the Delaware Court of Chancery's findings concerning the approval of the settlement in the

Delaware Action;

IT IS HEREBY ORDERED as follows:

1. The Action shall be stayed until thirty (30) days following a ruling from the Delaware Court of Chancery on the proposed settlement of the Delaware Action;
2. This stay shall not otherwise alter the substantive and other procedural rights of Plaintiff and Defendants.
3. This Stipulation may be executed in counterparts and may include facsimile or electronic signatures.

Dated: October 18, 2012

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Acquisitions LLC*

SO ORDERED, this 19th day of October, 2012.

s/ILG

UNITED STATES DISTRICT JUDGE